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Consulting Engineers



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To Mary
File ACT/053/004
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Steve & Mary

RECEIVED

AUG 16 1984

August 14, 1984

DIVISION OF OIL
GAS & MINING

JIM

AUG 16 1984

Mr. James W. Smith, Jr.
Administrator
Mineral Resource Development and Reclamation Program
State of Utah Natural Resources
4241 State Office Building
Salt Lake City, Utah 84114

Reference: Apex Mine Project
ACT/053/004

Dear Mr. Smith:

In your letter to St. George Mining Corporation, dated June 22, 1984, you requested clarification of several minor issues that remained outstanding. This letter has been prepared on behalf of St. George Mining Corporation in the hopes of providing the required information.

Rule M-3(5) - Address the Submitted and Contents of Letter of Intention

In late 1983, St. George Mining Corporation had filed a letter of intention to commence exploration activities. Changes from that plan were made and the Division notified accordingly. St. George Mining Corporation is aware of the requirements of Rule M-3(5) and will not conduct exploration activities without notifying the Division. All activities currently planned for the property are within the scope of the previously submitted exploration plan and/or the notice of intent to commence mining activities.

Rule M(5) - Labor Rates and Concrete Yardage Estimates for Bonding Purposes

St. George Mining Corporation appreciates being notified of the 1984 labor rate adjustments that were made by the Division and for including the 50 cubic yards of concrete in the bond estimate.

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Matting

The matting is to be used on the upper mine waste dump area after the mine waste has been removed for processing. The exact locations on the upper waste dump surface cannot be determined prior to the waste removal, but will be determined in the field based on the following criteria:

- steepness of slope
- erosion potential
- predicted drainage from precipitation falling on the slope

The matting will be used in 10-foot strips 10-feet wide on the areas where needed. Using an estimated 10 areas for mat application, the total amount needed was the estimated 1000 ft². The amount of matting is therefore an estimate, and the total needed will also be field determined after inspection of the cleaned slope. The use of the matting is a temporary measure to allow establishment of vegetation.

Rule M-10(2)(a) and (10) - Backfilling of the Portals in Addition to Cement Bulkheads

The mine plan, as currently envisioned, would require that all rock material taken from the mine or the old waste dump that is not used in construction or processed, could be used as backfill. The exact volume of material available can only be determined during the mining operation.

Additional Recommendations:

1. St. George Mining Corporation will abide by all applicable local, State, and Federal Environmental and Mine Safety laws, regulations and rules.

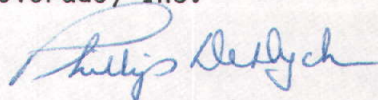
2. Diversion Ditch - Flow off the upper mine dump roadway and slope could cause erosion and potentially create damage where it empties onto the main pad. To avoid the potential problem, a diversion ditch will be constructed along the upper edge of the main pad. This ditch will have a minimum cross section of a 2-foot wide bottom and a depth of 1 foot with 2:1 side slopes. Excavating the ditch will be performed to produce a minimum 1% slope. For the maximum flow of 5 cfs indicated in our June 22nd letter, flow in the ditch will be approximately 0.6 feet deep. The discharge point will be into the natural drainage at the NE end of the pad. This discharge point and other areas of the ditch, where required will be riprapped with waste rock from the mine to limit erosion.

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A Surety Bond of \$50,399 has been posted with the Division. It is our understanding that the Apex Project will be presented to the Executive Committee on August 23, 1984. We would appreciate notification if there are any changes in the schedule. In addition, please feel free to contact us if you have any additional questions.

Respectfully,

Steffen Robertson and Kirsten
(Colorado) Inc.



Phillip DeDycker for

St. George Mining Corporation

PD:rs

cc: Lutz Klingmann